



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

01-PRO-767

Mr. E. K. Thomson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Thomson:

CONTRACT NO. DE-AC06-96RL13200 – EXECUTION OF CONTRACT MODIFICATION
M143

Enclosed for your files is one fully executed original of contract modification M143,
including one duplicate original of FY 2001-2006 Performance Incentive FHI-M2, Pu
Stabilization/PFP Deactivation and one duplicate original of FY 2001 Performance Incentive
FHI-Comprehensive-2, Hanford Site Services Performed by FHI for CHG. If you have any
questions regarding this matter, please contact me at (509) 376-3166.

Sincerely,

A handwritten signature in cursive script, reading "David E. Stromberg", is positioned above the typed name.

David E. Stromberg
Administrative Contracting Officer

PRO:DES

Enclosures

cc w/encls:
S. W. Bork, FHI
J. L. Jacobsen, FHI

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE 1 OF 9 PAGES
2. AMENDMENT/MODIFICATION NO. M143	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Richland Operations Office 825 Jadwin Avenue; MSIN A7-80 Richland WA 99352	CODE	7. ADMINISTERED BY (If other than Item 6)		CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) Fluor Hanford, Inc. 2420 Stevens Drive P.O. Box 1000 Richland WA 99352		(X)	9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
		X	10A. MODIFICATION OF CONTRACT/ ORDER NO. DE-AC06-96RL13200	
CODE	FACILITY CODE		10B. DATED (SEE ITEM 13) 08/06/96	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment, (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Clause H.33: Performance Objectives, Measures, Expectations, and Fee Dist.
	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
The purpose of this modification is to revise Performance Incentives FHI-M2 and FHI-Comprehensive-2, and incorporate the changes into Part III, Section J, Appendix D of the contract.

Except as provided herein, all terms and conditions of the contract referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.		Reviewed Approved	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Sally A. Sieracki	
15A. NAME AND TITLE OF SIGNER (Type or print) E. Keith Thomson President and Chief Executive Officer		LEGAL		
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)		15C. DATE SIGNED 9-26-01	16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)	
			16C. DATE SIGNED 01 OCT 01	

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FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-M2
Performance Incentive Short Title: **Pu Stabilization/PFP Deactivation**
Revision Number & Date: Rev. 1, 09/25/01
Maximum Available Incentive Fee: 18.8% of the fee available in Contract Clause B.4.
Performance Incentive Type: ☒ Base ☒ Stretch ☒ Superstretch
(check appropriate box)

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:

- ☐ Outcome #1: Restore the River Corridor for multiple uses
☒ Outcome #2: Transition Central Plateau to support long-term waste management
☐ Outcome #3: Put DOE Assets to work for the Future

**SECTION 3
PERFORMANCE OBJECTIVE(S), MEASURES AND EXPECTATION(S)**

List associated performance objectives, measures, and performance expectations. Identify associated PBS # for each performance objective and/or measures as appropriated.

Performance Objective: Disposition Pu, & U

PBS CP03 (TP-05)

Measure 1: Pu metal/oxides/other types dispositioned

Expectation 1: All Plutonium bearing materials stabilization and packaging will be completed in accordance with DNFSB Milestones identified in the current DOE Implementation Plan for the DNFSB Recommendation 94-1/2000-1

Base

By 05/31/04 (* Final DNFSB 2000-1
due date)

Stretch

By 11/30/03

Measure 2: PFP Deactivation

Expectation 1: Reduce the PFP Protected Area to 2736-Z/ZB and yard storage.

Base: Complete 75% of legacy Pu holdup removal and disposition by 09/30/06

Stretch: Complete 100% of legacy Pu holdup removal and D&D 232Z and PPSL Annex to slab on grade and transfer all SNM required to reduce the Protected Area (PA) to 2736-Z/ZB or other RL approved location by 9/30/06.

Super Stretch: Complete 236-Z (PRF) Safe Shutdown

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FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Base = (69%) of the fee available for this Performance Incentive
Stretch = (31%) of the fee available for this Performance Incentive

Measure 1: Pu metal/oxides/other types dispositioned

PBS CP03 (TP05)

Expectation 1: Stabilize Pu

Base: 47% of available fee for this Performance Incentive shall be earned as progress payment as follows:

- Stabilize Pu metal/oxide/polycubes – 10% of fee available for this PI can be earned payable in 15 item increments for the balance of the inventory (~5731)
- Stabilize Pu solutions – 10% of fee available for this PI can be earned for 4260 liters payable in 40 liter increments
- Stabilize Residues - 10% of fee available for this PI can be earned for 3380 bulk kg payable in 30 kg increments
- 6% of available fee for this Performance Incentive can be earned as provisional payment upon hot startup of the 2736-ZB Stabilization and Packaging System on or before 11/12/01. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.
- 5% upon completion of all Pu stabilization and packaging by 5/31/04 (linearly decreasing per day to 0% on 8/31/04).
- 3% upon completion of Pu metal stabilization and packaging, as a provisional payment. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.
- 3% upon completion of Pu solutions stabilization and packaging, as a provisional payment. Provisional payment is forfeited if all Pu stabilization and packaging is not completed by 05/31/04.

Stretch: 10% upon completion of all Pu Stabilization and packaging by 11/30/03 (linearly decreasing per day to 0% on 05/31/04).

Measure 2: PFP Deactivation

PBS CP03 (TP05)

Expectation 1: Reduce the PFP Protected Area to 2736-Z/ZB and yard storage

Base: Complete 75% of legacy Pu holdup removal and disposition by 09/30/06.
22% of available fee for this Performance Incentive shall be earned as progress payment as follows:

- 1% of fee available for this PI can be earned per 5% of Pu Holdup removed and dispositioned, up to 15% fee (75% holdup)
- 7% of fee available for this PI can be earned if 75% of Pu Holdup dispositioned by 09/30/06

Stretch: Complete 100% of legacy Pu Holdup removal and disposition to reduce Protected Area to 2736-Z/ZB. D&D 232Z and PPSL Annex to slab-on-grade.
21% of available fee for this PI shall be earned as progress payment as follows:

- 7% of fee available for this PI can be earned for removal and disposition of remaining 25% of Pu Holdup.
- 2% of fee available for this PI can be earned if all SNM required to reduce the Protected Area (PA) is transferred to 2736-Z/ZB (or RL approved location).
- 5% of fee available for this PI can be earned for 232-Z and PPSL Annex demolished to

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FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

slab-on-grade by 9/30/06

- 7% of fee available for this PI can be earned if the Protected Area is reduced to 2736-Z/ZB and yard storage.

Super Stretch: Complete 236-Z (PRF) Safe Shutdown.

TPA/DNFSB STANDARD PENALTY STATEMENT: A provisional penalty of up to \$10K/week may be imposed for any missed TPA or DNFSB milestone that is considered interim to a final incentivized milestone designated with an asterisk (*). Provisional penalties may be waived by the Contracting Officer if the final (*) contractual milestone is met and/or the Contracting Officer determines that no fines, penalties, or significant adverse impacts, will result from the missed interim milestone.

For purposes of this PI, it is assumed that the 53 alloy items referred to as "Group 2 Alloys" – that is, those alloy items that are less than 30 wt % Pu+U and which require pretreatment to meet discard criteria – will be governed by the residues milestone TRP-03-500 (IP-116), "Complete Packaging/Stabilization of Residues", due April 30, 2004.

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY: *Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure*

NONE

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall:

1. Meet the specific completion criteria and expectations set forth in this Performance Incentive; and
2. Not incur any unfavorable cost variance percentage $(((BCWP-ACWP)/BCWP) \times 100]$ greater than 5.0 percent cumulatively from 10/01/00, measured at the end of the last expectation date of each performance-measure, at the Project Baseline Summary level identified in Section 4, Fee Schedule.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

Measure 1:

The plutonium materials stabilization is considered complete when they have met the DOE-STD-3013 standard and are packaged and placed into vault storage.

Plutonium residues are considered stabilized when they are treated (if required) and placed in a drum/pipe, and meet the Hanford Site Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements. Residues shall be packaged as appropriate to meet Hanford Site Solid Waste Acceptance Criteria (HNF-0063) and WIPP WAC requirements.

Pu materials are also considered stabilized when they have been sent to another site for treatment or disposition. Plutonium materials (Pu, Pu + U) removed from the Hanford DNFSB 94-1/2000-1 inventories through other DOE approved means (e.g., sent to the Hanford Tank Farms) shall also be considered stabilized.

Completion of the DNFSB milestone is considered met when all material of a category identified in the DOE Implementation Plan for Recommendation from 94-1/2000-1 has been stabilized and/or dispositioned in accordance with the DNFSB 2000-1 Implementation Plan.

FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

Measure 2:

Pu holdup disposition is considered complete when material has been removed, treated (if required) and packaged to meet Hanford Site Waste Acceptance Criteria which incorporates the current WIPP Waste Acceptance Criteria (WAC) requirements, packaged to DOE-STD-3013 Standard requirements and stored in the vaults, or removed from the Material Control Accountability (MC&A) records.

Ductwork, filter box, and glovebox disposition in 232-Z is considered complete when equipment has been cleaned, disassembled (if required) and packaged to meet Hanford Site Waste Acceptance Criteria. Size reduction and/or decontamination technologies shall be used to minimize waste volumes.

Super Stretch: Placeholder for 236-Z (PRF) Safe Shutdown activities related to facility deactivation and dismantlement.

DEFINITIONS: *(define terms)*

- Vault Storage: DOE-STD-3013 compliant container placed into one of the following vaults for storage, 2736-ZB, 2736Z or an RL approved alternate storage.
- Holdup Material – Any plutonium-bearing residue remaining in pipe systems, gloveboxes, tanks, etc as identified in the Material, Control and Accountability records.
- Protected Area – That area so designated by DOE Orders which requires special access requirements, controls, safeguards and security.
- SNM - Special Nuclear Material required to reduce the Protected Area (PA).

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

Measure 1:

Records shall be available that can be used to verify the Pu material stabilization and disposition.

Measure 2:

If material/waste is removed to safely deactivate the system, provide full traceable disposal documentation (e.g. RCRA requirements, waste profile sheet, waste packaging procedure used, waste storage location outside the PFP complex, vault storage location etc.).

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiations).*


The BCWS associated with the Holdup removal and disposition, reducing protected area to 2736-Z/ZB, and D&D 232Z and PPSL Annex to slab on grade is equivalent to or greater than the BCWS in the baseline as modified by the Schedule Option Study for the Contract Period. This will be reevaluated when the Baseline Change Request to implement the Schedule Option Study is approved.

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FY 2001-06 PERFORMANCE INCENTIVE: Pu Stabilization/PFP Deactivation

SIGNATURES



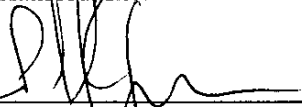
G. W. Jackson, Vice President
Nuclear Material Stabilization

9/26/01
Date



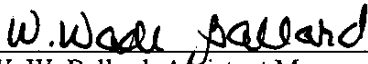
E. Keith Thomson, President & Chief Executive Officer
Fluor Hanford, Inc.

9-26-01
Date




P.M. Knollmeyer, Assistant Manager
For the Central Plateau

9/27/01
Date



W. W. Ballard, Assistant Manager
For Planning and Integration

9/27/01
Date



K. A. Klein, Manager
Richland Operations Office

9/28/01
Date

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**FY2001 PERFORMANCE INCENTIVE:
Hanford Site Services Performed by FH for CHG**

**SECTION 1
GENERAL INFORMATION**

Performance Incentive Number: FHI-Comprehensive-2
Performance Incentive Short Title: Hanford Site Services Performed by FH for CHG
Revision Number & Date: Rev. 1, 09/25/01
Maximum Available Incentive Fee: 0.89% of total available fee

Performance Incentive Type:

(check appropriate box)



Regular



Stretch



Superstretch

**SECTION 2
PERFORMANCE OUTCOMES**

Check appropriate box:



Outcome #1: Restore the River Corridor for multiple uses



Outcome #2: Transition Central Plateau to support long-term waste management



Outcome #3: Put DOE Assets to work for the future

**SECTION 3
PERFORMANCE OBJECTIVE (S), MEASURES AND EXPECTATION (S)**

List associated performance objectives, measures, and performance expectations.. Identify associated PBS # for each performance objective and/or measures as appropriate.

Performance Objective: Incentivize FH to support ORP mission and project goals and commitments.

Measure 1: FH provide appropriate service forecasts and responsively deliver services when required.

**SECTION 4
FEE SCHEDULE**

Identify fee schedule by performance objective and/or measure(s)

Performance Objective: 0.89% of total available fee

Measure 1: 100% of fee available for this PI.

**SECTION 5
PERFORMANCE REQUIREMENTS**

PREVIOUS YEAR'S GATEWAY Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.

Not Applicable

GENERAL REQUIREMENTS: In order to earn incentive fee under this Performance Incentive, the Contractor shall

PL CO *[Signature]* Date 9/27/01

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**FY2001 PERFORMANCE INCENTIVE:
Hanford Site Services Performed by FH for CHG**

meet the specific completion criteria and expectations set forth in this Performance incentive.

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared).*

Performance Objective: Incentivize FH to support ORP mission and project goals and commitments.

FH will be incentivized to:

- Work in a spirit of cooperation; and
- Plan and schedule and communicate required support to and from FH and CHG; and
- Meet cost and schedule requirements when FH supports CHG; and
- Work to reduce the cost of these services without compromising the quality or timeliness of delivered services.

Measure 1: FH responsively deliver services to support ORP mission when required.

Performance Expectations:

Performance Expectation: Provide support to CHG in the following areas.

- 242-A Evaporator
- 200 Area Liquid Effluent Treatment Facility (ETF)
- Laboratory Analysis (includes 222S, and WSCF, etc.)
- Fabrication Shop
- Crane and Rigging
- Shared Services (includes Business and Financial systems, Roads and Grounds, Records Management, etc.)
- Other Service Centers (includes Fleet Maintenance, Occupancy, Reproduction, etc.)

FH will establish FY01 service level agreements (SLA) for the above service areas by January 30, 2001, for those areas where SLA's do not already exist).

Determination of Fee:

Measure 1: 100% of fee available for this PI will be tied directly to FH's level of responsiveness in services. The fee determination will be made by the DOE-RL Manager and the ORP Manager, or their designees, based on satisfactory accomplishment of the performance expectations above.

DEFINITIONS: *(define terms)*

None

COMPLETION DOCUMENTS LIST: *(In addition to the Completion Notice the document(s) that should be submitted/data that should be available/actions to be taken by evaluator, to determine actual performance to the requirements stated above).*

FH will provide an annual report of performance against the performance expectations by 11/15/01.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(For reasonably foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation).*

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**FY2001 PERFORMANCE INCENTIVE:
Hanford Site Services Performed by FH for CHG**

**SECTION 6
SIGNATURES**

[Signature]
9/26/01 *[Signature]* / FOR

E. Keith Thomson, President & Chief Executive Officer
Fluor Hanford, Inc.

9-26-01
Date

[Signature]

K.A. Klein, Manager
Richland Operations Office

9/28/01
Date

PL CO *[Signature]* Date 9/27/01



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

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Mr. E. K. Thomson, President
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Thomson:

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questions regarding this matter, please contact me at (509) 376-3166.

Sincerely,
ORIGINAL SIGNED BY

David E. Stromberg
Administrative Contracting Officer

PRO:DES

Enclosure

cc w/encls:
S. W. Bork, FHI
J. L. Jacobsen, FHI

bcc w/encls:
PRO Off File
PRO Rdg File
CCC Rdg File
D. E. Stromberg, PRO
Record Note: None
Phmc\Mods\M143\Mod M143 Execution Ltr

RECEIVED

OCT 01 2001

DOE RL / CCC

Office >	PRO	PRO	PRO			
Surname >	STROMBERG	SIERACKI	STROMBERG			
Date >	9/28/01	28/10/01	10/1/01			

(Please return to Rosie Garza 6-7736 A7-80/FED FAX 6-5378)

Document No. 30872